

UNOFFICIAL TRANSLATION

Although the Company pays close attention to provide English translation of the information disclosed in Japanese, the Japanese original prevails over its English translation in the case of any discrepancy.



June 10, 2021

Company name: Japan Post Holdings Co., Ltd.
Representative: MASUDA Hiroya
Director and Representative Executive Officer,
President & CEO
(Code number: 6178, First Section of the
Tokyo Stock Exchange)
Contact: IR Office (Phone: +81-3-3477-0206)

Notice Concerning Acquisition of Treasury Stock and Purchase of Treasury Stock through Off-auction Own Share Repurchase Trading (ToSTNeT-3)
(Acquisition of Treasury Stock Based on the Articles of Incorporation Complying with Article 459, Paragraph 1 of the Companies Act and Purchase of Treasury Stock through Off-auction Own Share Repurchase Trading (ToSTNeT-3))

Japan Post Holdings Co., Ltd. (the “Company”) hereby announces that it has resolved the acquisition of its treasury stock (the “Acquisition of Treasury Stock”) based on Article 39, Paragraph 1 of the Articles of Incorporation complying with Article 459, Paragraph 1, Item 1 of the Companies Act and the specific method of acquisition at the Board of Directors’ meeting on June 10, 2021, as described below.

1. Reason for the acquisition of treasury stock

The Company will undertake the acquisition of treasury stock with an aim to improve capital efficiency and enhance shareholder returns based on the capital strategy in the Group Medium-term Management Plan “JP Vision 2025.”

2. Method of acquisition

The Company will entrust the purchase of its treasury stock at the closing price (reflecting final bid-asked quotations) of 905.5 yen as of this day (June 10, 2021), through off-auction own share repurchase trading (ToSTNeT-3) of the Tokyo Stock Exchange at 8:45 a.m. as of June 11, 2021. (Any change to another trading method or trading time will not be made.) This purchase order will be valid only at the trading time mentioned above.

3. Details of the acquisition

- | | | |
|-----|--|------------------------------|
| (1) | Class of shares to be acquired: | Common stock of the Company |
| (2) | Total number of shares to be acquired: | 276,090,500 shares (maximum) |

(The ratio of the total number of shares to be acquired to the total number of shares issued (excluding treasury stock): 6.14%)

- (3) Total amount of shares to be acquired: 250,000,000,000 yen (maximum)
- (4) Announcement of the result of the stock acquisition: The result of the stock acquisition will be announced after the close of trading at 8:45 a.m., June 11, 2021.

(Note 1) The number of shares to be acquired will not be changed. Further, the acquisition may not be performed, either in part or in full, depending on market trends and other factors.

(Note 2) The purchase is to be made with a sell order equivalent to the number of shares scheduled for repurchase.

(Note 3) Although the Company has not been able to confirm whether the Minister of Finance, the controlling shareholder of the Company, has the intention to respond to the Acquisition of Treasury Stock, we expect the Minister of Finance will respond to the Acquisition of Treasury Stock based on the purpose of the Postal Service Privatization Act, etc. to dispose of the shares of the Company owned by the government.

4. Matters pertaining to transactions with controlling shareholders

The Minister of Finance, the controlling shareholder of the Company, may sell a part of the Company's shares that he holds for the sake of the Acquisition of Treasury Stock, and if he actually sells the shares, such transaction falls under "the significant transactions with controlling shareholders" prescribed in Rule 441-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

The "Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder" which were presented in the corporate governance report disclosed on May 10, 2021 states that in the case of conducting transactions with the controlling shareholder, the Company appropriately conducts such transactions only after careful consideration of the necessity thereof, and on the basis of appropriate terms and conditions equivalent to those applied in general transactions, to ensure that the interest of minority shareholders is not compromised.

With regard to the Acquisition of Treasury Stock, in conformity with the purpose of this policy, at the Board of Directors' meeting on June 10, 2021, 13 directors who have no special interests with the controlling shareholder (including nine outside directors) confirmed that the Acquisition of Treasury Stock will be implemented with an aim to improve capital efficiency and enhance shareholder returns based on the capital strategy in the Group Medium-term Management Plan "JP Vision 2025" and unanimously passed a resolution pertaining to the implementation of the Acquisition of Treasury Stock. In addition, as a measure to secure fairness in the trading conditions, the Company will conduct the Acquisition of Treasury Stock through off-auction own share repurchase trading (ToSTNeT-3) with the closing price of the day immediately preceding the acquisition date (reflecting final bid-asked quotations).

Furthermore, the Company received, on June 10, 2021, a written opinion from its independent officers, Mr. SATAKE Akira, Mr. KOEZUKA Miharu and Mr. KAIAMI Makoto who are outside directors of the Company, stating that the Acquisition of Treasury Stock will not harm interests of the minority shareholders because (i) the Acquisition of Treasury Stock will be implemented with an aim to improve capital efficiency and enhance shareholder returns based on the capital strategy in the Group Medium-term Management Plan “JP Vision 2025,” not aiming or intending to harm interests of the minority shareholders; (ii) the resolution on the Acquisition of Treasury Stock at the Board of Directors’ meeting was unanimously made upon confirmation of its purpose by the directors who have no special interests with the controlling shareholder; and (iii) fairness in the trading conditions and method is secured since the Acquisition of Treasury Stock is conducted at the market price through ToSTNeT-3 and shareholders other than the Minister of Finance is also given the opportunity to participate in the transaction.

As a result, the Company judges that its actions relating to the Acquisition of Treasury Stock comply with its “Policy on Measures to Protect Minority Shareholders in Conducting Transaction with Controlling Shareholder.”

5. Treatment of treasury stock held after the Acquisition of Treasury Stock

In order to eliminate investors’ concerns over dilution, the aggregate number of treasury stock held by the Company after the Acquisition of Treasury Stock, including treasury stock held as of March 31, 2021, will be canceled after excluding the number of stock necessary to address demand to buy additional shares constituting less than one unit.

(Reference) Status of shareholding of treasury stock as of March 31, 2021

Total number of shares issued (excluding treasury stock):	4,043,860,799 shares
Number of shares of treasury stock:	456,139,201 shares

(The above number of shares of treasury stock does not include shares of the Company held by the Board Benefit Trust (BBT).)